

Law Offices of
FRANK D. GRANATO

Orange Financial Center
701 South Parker Street
Suite 6000
Orange, CA 92868-4741
(714) 547-3361
TTY# (714) 547-4998
FAX# (714) 547-4919
fgranato@411Legal.com

RECEIVED & INSPECTED

NOV 10 2004

FCC - MAILROOM

DOCKET FILE COPY ORIGINAL

November 9, 2004

Federal Communications Commission
Office of the Secretary
9300 East Hampton Drive
Capitol Heights, MD 20743

Via Federal Express

Re: Request for Review of Schools and Libraries Division / USAC
Commitment Adjustment Letter dated October 15, 2004

CC Docket No. 02-6
Service Provider: AMI Electrical & Telecom, Inc.
Service Provider Number: 143009885
Form 471 Application Number: 345033
Funding Year 2003: 07/01/2003 – 06/30/2004

Gentlemen:

Please accept this Request for Review as notice that Service Provider, AMI Electrical & Telecom, Inc. ("**AMI**"), challenges the funding decision contained in the School and Libraries Division's ("**SLD**") Commitment Adjustment Letter dated October 15, 2004.

Funding Request Number 990083 sought \$499,216.14 for telecommunications services for Elk Hills Elementary School District ("**Elk Hills**"). These services were to be provided by AMI Electrical & Telecom, Inc. The SLD approved funding for the aforementioned project. On October 15, 2004, AMI was notified that the SLD had rescinded its previous funding commitment. As the basis for its decision to rescind the funding commitment, the SLD states, in its Commitment Adjustment Letter, that "Since Elk Hills share of the cost was to be provided by a grant that was funded by its service provider, these funds were to come indirectly from Elk Hills service provider and were not independent of Elk Hills service provider . . ."

No. of Copies rec'd _____
List ABCDE _____

November 9, 2004

Page Two

The SLD's funding determination is erroneous for the following reasons:

AMI Did Not Fund The Grant Obtained By Elk Hills Elementary School District

The Applicant, Elk Hills, obtained a grant to fund its share of the project costs. Although AMI agreed to help Elk Hills obtain a grant for its share of the funding requirement, the grant was provided by Liberal Housing, Inc. Subsequent to the SLD issuing its aforementioned Commitment Adjustment Letter, Elk Hills returned these funds to Liberal Housing, Inc. (attached hereto is a copy of the Elk Hills warrant payable to Liberal Housing, Inc. for its share of the fund requirement). Liberal Housing Inc. is a tax-exempt nonprofit corporation (attached hereto is a copy of an IRS letter recognizing Liberal Housing, Inc.'s tax-exempt status). Liberal Housing, Inc. exists to provide low-income families with affordable housing, as well as, to *"assist in the advancement of education and to enhance the education of students, especially those students in low-income areas, by educating and expanding public awareness of technology, and extending technology to schools, districts, and libraries through computers, internet access and other mediums of technology . . ."* (emphasis added) attached hereto are copies of Liberal Housing, Inc.'s Articles of Incorporation and Certificate of Amendment of Articles of Incorporation). At no time did AMI provide funding to Liberal Housing, Inc.

Therefore, there are no facts that support the SLD's determination that AMI funded the grant which Liberal Housing, Inc. provided to Elk Hills.

SLD Funding Rules and Regulations Explicitly Allow For a Relationship Between AMI and Liberal Housing, Inc.

On its website, the SLD provides advisory information for applicants and service providers regarding prohibited practices. In its Free Services Advisory section, the LSD states, "Program rules do not restrict applicants from accepting grants from bona fide organizations, nor do they restrict service providers from attempting to help applicants obtain grants from such organizations, so long as the grants or organizations are independent of the service provider" (emphasis added). The language of this advisory instruction is clear and unambiguous: either the grant or the organization must be independent of the service provider; not both. Given the clear and unambiguous language of the advisory, the SLD must have envisioned situations where either the grant or the organization *would not* be independent of the service provider. Therefore, situations where the service provider has a relationship with the organization are allowed as long as the grant is independent. And, conversely, circumstances in which a relationship exists between the service provider and the grant are allowed as long as the service provider is independent of the organization.

November 9, 2004

Page Three

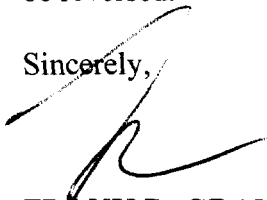
In the present matter, the grant was provided to Elk Hills by Liberal Housing, Inc. Liberal Housing is a separate and distinct legal entity – an entity independent of the service provider, AMI. Likewise, the grant provided by Liberal Housing was not funded by the service provider, AMI. Therefore, given the facts of the present matter, both the grant and the organization are independent of the service provider, AMI. Therefore, the SLD's determination that the grant provided to Elk Hills was not independent of the service provider, AMI, is not supported by the factual circumstances.

In conclusion, the basis set forth in the SLD's decision letter is not supported by the true facts. The grant money awarded to Elk Hills by Liberal Housing, Inc. was not funded by AMI. AMI has never contributed money to Liberal Housing, Inc. Consequently, the SLD's determination that AMI funded Elk Hill's grant money is erroneous and does not support the SLD's rescission of its funding of the Elk Hills program.

Furthermore, the facts demonstrate that service provider, AMI, is a separate and independent entity from the funding organization, Liberal Housing, Inc. Similarly, the facts establish that AMI has never contributed money to Liberal Housing. Therefore, it is impossible that any relationship exists between service provider AMI and the grant provided to Elk Hills. Thus, the SLD's contention that the funds provided to Elk Hills were not independent of AMI is erroneous; and, therefore, its decision to rescind the funding for the Elk Hills program is itself erroneous.

Based on the foregoing, the SLD's decision to rescind the Elk Hills funding commitment should be reversed.

Sincerely,



FRANK D. GRANATO

FDG\alg

Enclosures

cc: Client



Universal Service Administrative Company
Schools & Libraries Division

COMMITMENT ADJUSTMENT LETTER

October 15, 2004

David Ngo
AMI Electrical & Telecom, Inc.
2353 W La Palma Avenue
Anaheim, CA 92801 0129

Re: COMMITMENT ADJUSTMENT

Funding Year 2003 -2004

Form 471 Application Number: 345033

Applicant Name ELK HILLS ELEM SCHOOL DISTRICT

Contact Person: DEBORAH GOBLE Contact Phone: 661-619-4492

Dear Service Provider Contact:

Our routine reviews of Schools and Libraries Program funding commitments revealed certain applications where funds were committed in violation of program rules.

In order to be sure that no funds are used in violation of program rules, SLD must now adjust these funding commitments. The purpose of this letter is to inform you of the adjustments to these funding commitments required by program rules.

FUNDING COMMITMENT REPORT

On the pages following this letter, we have provided a Funding Commitment Report for the Form 471 application cited above. The enclosed report includes a list of the FRNs from the application for which adjustments are necessary. The SLD is also sending this information to applicant, so that you may work with them to implement this decision. Immediately preceding the Funding Commitment Report, you will find a guide that defines each line of the Report.

Please note that if the Funds Disbursed to Date amount exceeds your Adjusted Funding Commitment amount, USAC will have to recover some or all of the funds disbursed. The amount is shown as Funds to be Recovered. We expect to send you a letter describing the process for recovering these funds in the near future, and we will send a copy of the letter to the applicant. If the Funds Disbursed to Date amount is less than the Adjusted Funding Commitment amount, USAC will continue to process properly filed invoices up to the Adjusted Funding Commitment amount.

TO APPEAL THIS DECISION:

If you wish to appeal the Funding Commitment Decision indicated in this letter, your appeal must be **POSTMARKED** within 60 days of the above date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and e-mail address (if available) for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Identify which Commitment Adjustment Letter you are appealing. Your letter of appeal must include the Billed Entity Name, the Form 471 Application Number, and the Billed Entity Number from the top of your letter.
3. When explaining your appeal, copy the language or text from the Commitment Adjustment Letter that is at the heart of your appeal to allow the SLD to more readily understand your appeal and respond appropriately. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep copies of your correspondence and documentation.
4. Provide an authorized signature on your letter of appeal.

If you are submitting your appeal on paper, please send your appeal to: Letter of Appeal, Schools and Libraries Division, Box 125- Correspondence Unit, 80 South Jefferson Road, Whippany, NJ 07981. Additional options for filing an appeal can be found in the "Appeals Procedure" posted in the Reference Area of the SLD web site or by contacting the Client Service Bureau. We encourage the use of either the e-mail or fax filing options.

While we encourage you to resolve your appeal with the SLD first, you have the option of filing an appeal directly with the Federal Communications Commission (FCC). You should refer to CC Docket Nos. on the first page of your appeal to the FCC. Your appeal must be **POSTMARKED** within 60 days of the above date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20534. Further information and options for filing an appeal directly with the FCC can be found in the "Appeals Procedure" posted in the Reference Area of the SLD web site, or by contacting the Client Service Bureau. We strongly recommend that you use either the e-mail or fax filing options.

A GUIDE TO THE FUNDING COMMITMENT REPORT

Attached to this letter will be a report for each funding request from your application for which a commitment adjustment is required. We are providing the following definitions.

- **FUNDING REQUEST NUMBER (FRN):** A Funding Request Number is assigned by the SLD to each request in Block 5 of your Form 471 once an application has been processed. This number is used to report to applicants and service providers the status of individual discount funding requests submitted on a Form 471.
- **SPIN (Service Provider Identification Number):** A unique number assigned by the Universal Service Administrative Company to service providers seeking payment from the Universal Service Fund for participating in the universal service support programs.
- **SERVICE PROVIDER:** The legal name of the service provider.
- **CONTRACT NUMBER:** The number of the contract between the eligible party and the service provider. This will be present only if a contract number was provided on Form 471.
- **SERVICES ORDERED:** The type of service ordered from the service provider, as shown on Form 471.
- **SITE IDENTIFIER:** The Entity Number listed in Form 471 for "site specific" FRNs.
- **BILLING ACCOUNT NUMBER:** The account number that your service provider has established with you for billing purposes. This will be present only if a Billing Account Number was provided on your Form 471.
- **ADJUSTED FUNDING COMMITMENT:** This represents the adjusted total amount of funding that SLD has committed to this FRN. If this amount exceeds the Funds Disbursed to Date, the SLD will continue to process properly filed invoices up to the new commitment amount.
- **FUNDS DISBURSED TO DATE:** This represents the total funds which have been paid up to now to the identified service provider for this FRN.
- **FUNDS TO BE RECOVERED:** This represents the amount of Funds Disbursed to Date that exceed the Adjusted Funding Commitment amount. These funds will have to be recovered. If the Funds Disbursed to Date do not exceed the Adjusted Funding Commitment amount, this entry will be \$0.
- **FUNDING COMMITMENT ADJUSTMENT EXPLANATION:** This entry provides a description of the reason the adjustment was made.

Funding Commitment Report for Application Number: 345033

Funding Request Number 990083 SPIN: 143009885
Service Provider: AMI Electrical & Telecom, Inc.
Contract Number: N/A
Services Ordered: INTERNAL CONNECTIONS
Site Identifier: 143917 ELK HILLS ELEM SCHOOL DISTRICT
Billing Account Number:
Adjusted Funding Commitment: \$0.00
Funds Disbursed to Date: \$0.00
Funds to be Recovered: \$0.00

Funding Commitment Adjustment Explanation:

FCC rules require applicants to pay the non-discount portion of the cost of the goods and services to their service provider(s). Applicants are required to certify that, at the time they submit the FCC Form 471, they have secured access to all of the resources, including computers, training, software, maintenance, and electrical connections necessary to make effective use of the products and/or services purchased as well as to pay the non-discounted charges for eligible products and/or services. 47 C.F.R. § 54.504(b); FCC Form 471, Block 6 Item 25. ☐ ☐ Secured access means that the applicant can show that these funds are, or will be, part of its annual budget; or, if the applicant is obtaining the funds from an outside source, that these funds have been promised to the applicant. If the applicant obtains these funds from an outside source, the funds must not come directly or indirectly from its service provider(s). Program rules do not restrict applicants from accepting grants from bona fide organizations, nor do they restrict service providers from attempting to help applicants obtain grants from such organizations, so long as the grants or organizations are independent of the service provider. ☐ ☐ Elk Hills Elementary School (Elk Hills) has informed SLD that its 10% share of the cost for this Funding Request Number (FRN) was to be provided through a grant arranged by its service provider, AMI Electrical & Telecom, Inc. (AMI), and that the grant was to be funded by a non-profit organization. SLD's understanding is that the non-profit organization providing the grant was financed by AMI. ☐ ☐ Since Elk Hills share of the cost was to be provided by a grant that was funded by its service provider AMI, these funds were to come indirectly from Elk Hills service provider and were not independent of Elk Hills service provider, SLD is rescinding this funding commitment.

BLK HILLS ELEMENTARY

Invoice Description	Date	Reference No.	Amount	Invoice Description	Date	Reference No.	Amount
RETURN OF 10% REQU	06/23/2004	CL-040002	45,892.93				
Warrant 26516857				Vendor 002888 Liberal Housing Inc.			
				Batch 0002			
				\$45,892.93			
				07/02/2004			

REMOVE DOCUMENT ALONG THIS PERFORATION

THIS DOCUMENT IS PRINTED IN TWO COLORS. DO NOT ACCEPT UNLESS BLUE AND GREEN ARE PRESENT

SCHOOL COMMERCIAL WARRANT
BAKERSFIELD, CALIFORNIA

Warrant No.	Date
26516857	07/02/2004

PAY TO: **Liberal Housing Inc.**

VOID SIX MONTHS AFTER DATE ISSUED

COUNTY OF KERN
WARRANT
(Government Code Section 53913)

THIS WARRANT IS DRAWN BY ORDER OF THE GOVERNING BOARD OF
BLK HILLS ELEMENTARY

PAY: **45,892** DOLLARS **93** CENTS

WACHOWIA BANK, N.A.
GREENVILLE, SOUTH CAROLINA
IN COOPERATION WITH WELLS FARGO, N.A.
4759-624075

\$ ***45,892.93**

[Signature]
Larry E. Rader SUPERINTENDENT OF SCHOOLS

26516857 053200019 5404 34743

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: APR 26 2004

LIBERAL HOUSING, INC
C/O FRANK D GRANATO
701 SOUTH PARKER ST SUITE 6000
ORANGE, CA 92868-4741

Employer Identification Number:
41-2059179
DLN:
604113008
Contact Person:
WAYNE WHITE ID# 75907
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
December 31
Foundation Status Classification:
509(a)(1)
Advance Ruling Period Begins:
December 16, 2002
Advance Ruling Period Ends:
December 31, 2006
Addendum Applies:
N/A

Dear Applicant:

Based on information you supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

Accordingly, during an advance ruling period you will be treated as a publicly supported organization, and not as a private foundation. This advance ruling period begins and ends on the dates shown above.

Within 90 days after the end of your advance ruling period, you must send us the information needed to determine whether you have met the requirements of the applicable support test during the advance ruling period. If you establish that you have been a publicly supported organization, we will classify you as a section 509(a)(1) or 509(a)(2) organization as long as you continue to meet the requirements of the applicable support test. If you do not meet the public support requirements during the advance ruling period, we will classify you as a private foundation for future periods. Also, if we classify you as a private foundation, we will treat you as a private foundation from your beginning date for purposes of section 507(d) and 4940.

Grantors and contributors may rely on our determination that you are not a private foundation until 90 days after the end of your advance ruling period. If you send us the required information within the 90 days, grantors and contributors may continue to rely on the advance determination until we make a final determination of your foundation status.

If we publish a notice in the Internal Revenue Bulletin stating that we will no longer treat you as a publicly supported organization, grantors and contributors may not rely on this determination after the date we publish the

LIBERAL HOUSING, INC

notice. In addition, if you lose your status as a publicly supported organization, and a grantor or contributor was responsible for, or was aware of, the act or failure to act, that resulted in your loss of such status, that person may not rely on this determination from the date of the act or failure to act. Also, if a grantor or contributor learned that we had given notice that you would be removed from classification as a publicly supported organization, then that person may not rely on this determination as of the date he or she acquired such knowledge.

If you change your sources of support, your purposes, character, or method of operation, please let us know so we can consider the effect of the change on your exempt status and foundation status. If you amend your organizational document or bylaws, please send us a copy of the amended document or bylaws. Also, let us know all changes in your name or address.

As of January 1, 1984, you are liable for social security taxes under the Federal Insurance Contributions Act on amounts of \$100 or more you pay to each of your employees during a calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Organizations that are not private foundations are not subject to the private foundation excise taxes under Chapter 42 of the Internal Revenue Code. However, you are not automatically exempt from other federal excise taxes. If you have any questions about excise, employment, or other federal taxes, please let us know.

Donors may deduct contributions to you as provided in section 170 of the Internal Revenue Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Donors may deduct contributions to you only to the extent that their contributions are gifts, with no consideration received. Ticket purchases and similar payments in conjunction with fundraising events may not necessarily qualify as deductible contributions, depending on the circumstances. Revenue Ruling 67-246, published in Cumulative Bulletin 1967-2, on page 104, gives guidelines regarding when taxpayers may deduct payments for admission to, or other participation in, fundraising activities for charity.

You are not required to file Form 990, Return of Organization Exempt From Income Tax, if your gross receipts each year are normally \$25,000 or less. If you receive a Form 990 package in the mail, simply attach the label provided, check the box in the heading to indicate that your annual gross receipts are normally \$25,000 or less, and sign the return. Because you will be treated as a public charity for return filing purposes during your entire advance ruling period, you should file Form 990 for each year in your advance ruling period that you exceed the \$25,000 filing threshold even if your sources of support do not satisfy the public support test specified in the heading of this letter.

If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. A penalty of \$20 a day

LIBERAL HOUSING, INC

is charged when a return is filed late, unless there is reasonable cause for the delay. However, the maximum penalty charged cannot exceed \$10,000 or 5 percent of your gross receipts for the year, whichever is less. For organizations with gross receipts exceeding \$1,000,000 in any year, the penalty is \$100 per day per return, unless there is reasonable cause for the delay. The maximum penalty for an organization with gross receipts exceeding \$1,000,000 shall not exceed \$50,000. This penalty may also be charged if a return is not complete. So, please be sure your return is complete before you file it.

You are not required to file federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

You are required to make your annual information return, Form 990 or Form 990-EZ, available for public inspection for three years after the later of the due date of the return or the date the return is filed. You are also required to make available for public inspection your exemption application, any supporting documents, and your exemption letter. Copies of these documents are also required to be provided to any individual upon written or in person request without charge other than reasonable fees for copying and postage. You may fulfill this requirement by placing these documents on the Internet. Penalties may be imposed for failure to comply with these requirements. Additional information is available in Publication 557, Tax-Exempt Status for Your Organization, or you may call our toll free number shown above.

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, we will assign a number to you and advise you of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

If we said in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

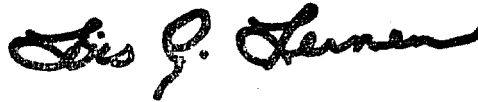
Because this letter could help us resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

We have sent a copy of this letter to your representative as indicated in your power of attorney.

LIBERAL HOUSING, INC

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,

A handwritten signature in cursive script, reading "Lois G. Lerner".

Lois G. Lerner
Director, Exempt Organizations
Rulings and Agreements

Enclosure(s):
Form 872-C

**ARTICLES OF INCORPORATION
OF
LIBERAL HOUSING, INC.
A Nonprofit Public Benefit Corporation**

2480291
**ENDORSED
FILED**

In the office of the Secretary of State
of the State of California

AUG 07 2002

Bill Jones
BILL JONES, Secretary of State

ARTICLE I

The name of this corporation is LIBERAL HOUSING, INC.

ARTICLE II

The name and address in the State of California of this corporation's initial agent for service of process is Frank D. Granato, Esquire, 701 S. Parker Street, Suite 6000, Orange, CA 92868-4741.

ARTICLE III

- A. This corporation is a nonprofit PUBLIC BENEFIT CORPORATION and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for public purposes.
- B. The specific purpose of this corporation is to build new housing and renovate existing housing for rent or sale to low income families on long-term, low payment plans; and thereby improve the quality of life of residents and neighborhoods via the development and operation of affordable housing.
- C. This corporation is organized exclusively for one or more of the purposes as specified in Section 501(c)(3) of the Internal Revenue Code, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code.

ARTICLE IV

- A. The corporation shall have no members. The management of the affairs of the corporation shall be vested in a Board of Directors, as defined in the corporation's bylaws. No Director shall have any right, title, or interest in or to any property of the corporation.
- B. Members of the first Board of Directors shall serve until the first annual meeting, at which their successors are duly elected and qualified, or removed as provided in the bylaws.

- C. No Director of this corporation shall be personally liable for the debts or obligations of this corporation of any nature whatsoever, nor shall any of the property of the Director be subject to the payment of the debts or obligations of this corporation.

ARTICLE V

The period of the duration of this corporation is perpetual.

ARTICLE VI

The classes, rights, privileges, qualifications and obligations of members of this corporation shall be stated in the bylaws of this corporation.

ARTICLE VII

- A. No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation and the corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf of any candidate for public office.
- B. No part of the net earnings of the organization shall inure to the benefit of, or be distributable to its members, trustees, officers, or other private persons, except that the organization shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purpose set forth in the purpose clause hereof.
- C. Notwithstanding any other provision of this document, the organization shall not carry on any other activities not permitted to be carried on (a) by an organization exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code, corresponding section of any future federal tax code, or (b) by an organization, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code, or corresponding section of any future federal tax code.

ARTICLE VIII

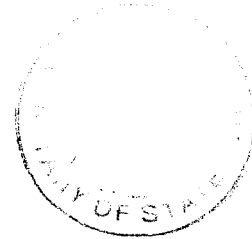
Upon the dissolution of the organization, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not disposed of by the District Court of the county in which the principal office of the organization is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for such purposes.

The undersigned incorporator hereby declares under penalty of perjury that the statements in the foregoing Articles of Incorporation are true.

DATED: August 6, 2002

Frank D. Granato
FRANK D. GRANATO, ESQ.

Incorporator



A0591037

ENDORSED - FILED
in the office of the Secretary of State
of the State of California

DEC 16 2002

BILL JONES, Secretary of State

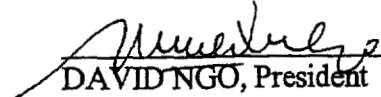
**CERTIFICATE OF AMENDMENT
OF ARTICLES OF INCORPORATION**

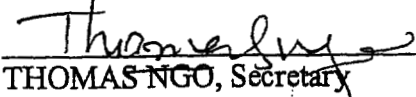
The undersigned certify that:

1. They are the president and the secretary, respectively, of Liberal Housing, Inc., a California corporation.
2. Article III of the Articles of Incorporation of this corporation is amended to read as follows:
 - A. This corporation is a nonprofit PUBLIC BENEFIT CORPORATION and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for public purposes.
 - B. The specific and primary purposes for which the Corporation is organized and shall be operated are as follows: (1) to build new housing and renovate existing housing for rent or sale to low income families on long-term, low payment plans. And thereby improve the quality of life of residents and neighborhood via the development and operation of affordable housing; (2) to assist in the advancement of education and to enhance the education of students, especially those students in low-income areas, by educating and expanding public awareness of technology, and extending technology to schools, districts, and libraries through computers, internet access, and other mediums of technology that exist and will be developed in the future; (3) to assist in the advancement of education by assisting schools, districts, and libraries in obtaining funding through gifts, donations, grants and other lawful means, for the purpose of acquiring, maintaining, and managing various mediums of existing and developing technology; and, (4) to engage in any and all lawful activities incidental to the foregoing purposes except as restricted herein.
3. The foregoing amendment of Articles of Incorporation has been duly approved by the board of directors.
4. The corporation has no members.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our knowledge.

Date: 12/13/02


DAVID NGO, President


THOMAS NGO, Secretary

